



**Norske Skog**

Skogn, 2002-11-06

United States Securities and Exchange Commission  
Washington DC 20549

USA

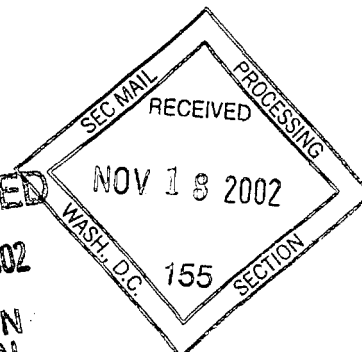


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**Information - file 82-5226**

Please find enclosed copy of documents sent to Oslo Stock Exchange, November 6, 2002.

Regards,  
Norske Skogindustrier ASA  
Shareholders' Register

*Oddrun Ringstad*  
Oddrunn Ringstad

**SUPPL**

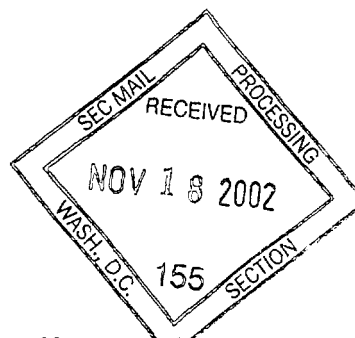
Enclosure: Messages sent to Oslo Stock Exchange November 6, 2002

*dlw 11/25*


**Norske Skog**

## PRESS RELEASE

Norske Skog 3<sup>rd</sup> quarter:



**Strong Norwegian krone and weak markets affect result.**

**Norske Skog had a weak result in the third quarter, as expected, mainly owing to the strength of the Norwegian krone, coupled with weak markets. Operating result for the quarter was NOK 312 million and was NOK 1,474 million for the first nine months this year. The pre-tax result for the quarter was minus NOK 62 million bringing the year to date result to NOK 858 million. The third quarter result after tax and minority interests was NOK 182 million (NOK 1.38 per share), reflecting the booking as income of a tax set aside connected with earlier acquisitions. For the January-September period, the result per share after tax was NOK 5.96.**

**The improvement programme** of NOK 700 million, started at the turn of the year, is going ahead according to plan. There is still no clear signs of increased demand on the world market, so Norske Skog is putting into effect further cost-cutting measures via its announced "Improvement 2003" programme. By doing so, Norske Skog intends to achieve a lasting improvement in competitiveness and profitability. The aim is to cut costs by NOK 2 billion by the end of 2004, of which NOK 1 billion shall be achieved during 2003.

**CEO Jan Reinås:** "Despite weaker results, our debt is now down to the same level as our equity capital, and equity capital ratio stands at 40 per cent. This is in line with the Company's long-term financial goals. Norske Skog is now moving from growth and restructuring to focusing fully on improved competitiveness in our core area, publication paper."

**Operating earnings** in the period January-September 2002 reached NOK 17.4 billion. Net cash flow from operations was NOK 2.7 billion, corresponding to NOK 20.79 per share. In making comparisons with last year, it must be recalled that NorskeCanada, with significant minority shares, was in its entirety consolidated in the Group accounts up to August 28, 2001. In January-September 2002 NorskeCanada is included as an affiliated company, with Norske Skog holding an ownership stake of 30.6%.

**Norske Skog's balance sheet** is improving steadily. So far this year the Company has reduced net interest-bearing debt by NOK 4 billion, and nearly NOK 1.4 billion of this has been achieved in the third quarter. Equity capital at the end of the period was NOK 18.8 billion, corresponding to NOK 141 per share and equity capital ratio of 40 per cent.

**Health and safety** efforts at Norske Skog are showing good results. The improvement in the trend of injuries at work continued in the third quarter. At the end

of the quarter, on a rolling 12-months basis, the H-factor stood at 5.1, against 9.3 at the end of last year.

Norske Skog Europe has shown a particularly favourable trend – to an H-factor of 5.9 at the end of the third quarter, from 12.5 at the end of last year.

**In Europe**, demand for newsprint during January-September was 8 per cent lower than in the same period of 2001. Price levels were stable. Demand for magazine paper was largely unchanged from last year.

Because of the weak market, Norske Skog Europe carried out temporary production shut-downs that had reached a total of 397,000 tonnes by the end of the third quarter. Further production curbs will be needed in the fourth quarter.

**In South America**, the crisis in Argentina aggravated the economic recession. That led to a further decline in newsprint consumption in 2002. The result trend was affected by a significant weakening of the Brazilian currency relative to the USD and the Norwegian krone.

**In Australasia**, the Company newsprint is sold-out for the rest of 2002. That provides for satisfactory, stable activity. In 2000, ten-year volume contracts were concluded with the largest customers in Australia and New Zealand. From July, the newsprint price was adjusted downward by 7 per cent in Australia.

**In Asia**, there is high activity in several markets, and PanAsia (50 per cent owned by Norske Skog) maintained a strong result, with high margins. This was primarily due to good demand in Korea, where the newsprint market continues to be good, even after the end of the World Cup. Prices have been stable. In September, the largest newsprint suppliers in Asia announced a price increase of USD 50 per tonne in certain markets.

**In North America**, demand for NorskeCanada's products is satisfactory. An increase of USD 50 per tonne in the newsprint price, announced in August, will probably be fully implemented during the 4<sup>th</sup> quarter. There is still uncertainty about future economic developments in the US.

**Forestia AS**, in which Norske Skog has a ownership stake of 90 per cent, is now being completely reorganised. The goal is an immediate improvement in results of NOK 50 million, to bring the company up to an acceptable level of return.

**Future prospects** on publication paper markets did not improve significantly during the third quarter. Norske Skog still sees no clear signs of an upswing for the Company's products on the most important markets. This means that demand - particularly for newsprint - will continue to be weak during the 4th quarter, although some seasonal improvement is expected.

Norske Skog assumes that the next few quarters will also be affected by weak markets and a strong Norwegian krone, and it is strengthening its cost-cutting measures and the extraction of synergies, in order to compensate for lower earnings. By increasing efficiency and through structural measures, Norske Skog will secure a lasting improvement in its competitiveness and profitability.

Oxengøen, November 6, 2002

NORSKE SKOG

Corporate Communication

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# NORSKE SKOINDUSTRIER ASA

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## Profit and loss account

<i>NOK million</i>	July-Sept 02	July-Sept 01	Jan-Sept 02	Jan-Sept 01	2001
<b>Operating revenue</b>	5 815	6 940	17 389	23 736	30 354
Operating expenses	-4 681	-4 919	-13 385	-17 048	-21 935
<b>Operating Earnings before Depreciation</b>	1 134	2 021	4 004	6 688	8 419
Depreciation and amortisation	-822	-773	-2 530	-2 484	-3 323
<b>Operating Earnings</b>	312	1 248	1 474	4 204	5 096
Earnings from affiliated companies	-54	-7	-225	37	16
Financial items	-320	-322	-391	-1 048	-1 376
Other items	0	4	0	-47	158
<b>Earnings before taxation</b>	-62	923	858	3 146	3 894
Taxation	247	-275	-64	-1 014	-1 234
<b>Net earnings</b>	185	648	794	2 132	2 660
The minority's share of net earnings	3	20	6	170	166
<b>The majority's share of net earnings</b>	182	628	788	1 962	2 494

## Balance sheet

<i>NOK million</i>	30.09.2002	30.09.2001	31.12.2001
Intangible fixed assets	4 468	3 553	4 549
Operational fixed assets	32 322	29 014	36 889
Long-term receivables and affiliated companies	2 743	4 192	3 979
<b>Fixed assets</b>	39 533	36 759	45 417
Inventory	2 178	2 122	2 172
Receivables	3 576	3 630	4 525
Short term investments	1 027	3 042	1 769
Liquid assets	879	718	2 389
<b>Current assets</b>	7 660	9 512	10 855
<b>Total assets</b>	47 193	46 271	56 272
Paid in equity	8 409	8 409	8 404
Retained earnings	10 212	11 142	10 917
Shareholders' equity	18 621	19 551	19 321
Minority interests	167	237	205
Deferred taxes	2 481	1 488	3 174
Interest-free long-term liabilities and other obligations	897	732	1 003
Interest bearing long-term liabilities	20 051	19 476	25 811
Interest free current liabilities	4 108	3 457	5 591
Interest bearing current liabilities	868	1 330	1 167
<b>Total liabilities and shareholders' equity</b>	47 193	46 271	56 272

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## Revenue and profit per area

### Operating Revenue

<i>NOK million</i>	<b>July-Sept 02</b>	<b>July-Sept 01</b>	<b>Jan-Sept 02</b>	<b>Jan-Sept 01</b>	<b>2001</b>
<b>Europe</b>					
Newsprint	1 912	2 152	5 633	6 634	8 850
Magazine paper	1 651	1 276	4 800	3 874	5 369
<b>Total Europe</b>	<b>3 563</b>	<b>3 428</b>	<b>10 433</b>	<b>10 508</b>	<b>14 219</b>
<b>North America</b>					
Newsprint	-	758	-	3 323	3 323
Pulp	-	462	-	2 434	2 434
Eliminations	-	-66	-	-302	-302
<b>Total North America</b>	<b>-</b>	<b>1 154</b>	<b>-</b>	<b>5 455</b>	<b>5 455</b>
<b>South America</b>					
Newsprint	247	385	816	1 266	1 784
Forests	-	40	-	129	171
Eliminations	-	-4	-	-13	-16
<b>Total South America</b>	<b>247</b>	<b>421</b>	<b>816</b>	<b>1 382</b>	<b>1 939</b>
<b>Australasia</b>					
Newsprint	911	1 114	2 865	3 035	4 110
Pulp	-	-2	-	458	458
Eliminations	-	-50	-	-94	-95
<b>Total Australasia</b>	<b>911</b>	<b>1 062</b>	<b>2 865</b>	<b>3 399</b>	<b>4 473</b>
<b>Asia</b>					
Newsprint	698	561	2 007	1 675	2 434
<b>Other activities</b>					
Other Industry Norway	141	222	483	748	930
Other revenues	310	265	909	1 007	1 389
<b>Total Other activities</b>	<b>450</b>	<b>487</b>	<b>1 392</b>	<b>1 755</b>	<b>2 319</b>
Staff/Eliminations	-54	-173	-124	-438	-485
<b>Total Group</b>	<b>5 815</b>	<b>6 940</b>	<b>17 389</b>	<b>23 736</b>	<b>30 354</b>

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## Revenue and profit per area

### Operating Earnings before Depreciation

<i>NOK million</i>	July-Sept 02	July-Sept 01	Jan-Sept 02	Jan-Sept 01	2001
<b>Europe</b>					
Newsprint	325	786	1 217	2 408	3 022
Magazine paper	326	400	1 058	1 147	1 433
<b>Total Europe</b>	<u>651</u>	<u>1 186</u>	<u>2 275</u>	<u>3 555</u>	<u>4 455</u>
<b>North America</b>					
Newsprint	-	124	-	649	649
Pulp	-	9	-	133	133
Eliminations	-	-	-	5	5
<b>Total North America</b>	<u>-</u>	<u>133</u>	<u>-</u>	<u>787</u>	<u>787</u>
<b>South America</b>					
Newsprint	56	152	200	530	744
Forests	-	23	-	65	81
Eliminations	-	-	-	-	-
<b>Total South America</b>	<u>56</u>	<u>175</u>	<u>200</u>	<u>595</u>	<u>825</u>
<b>Australasia</b>					
Newsprint	246	356	956	937	1 250
Pulp	-	-5	-	208	204
Eliminations	-	-	-	-	-
<b>Total Australasia</b>	<u>246</u>	<u>351</u>	<u>956</u>	<u>1 145</u>	<u>1 454</u>
<b>Asia</b>					
Newsprint	<u>222</u>	<u>190</u>	<u>685</u>	<u>621</u>	<u>869</u>
<b>Other activities</b>					
Pulp	16	30	65	132	166
Other/Eliminations	-	-	-	-	-
<b>Total other activities</b>	<u>16</u>	<u>30</u>	<u>65</u>	<u>132</u>	<u>166</u>
Staff/Eliminations	<u>-57</u>	<u>-44</u>	<u>-177</u>	<u>-147</u>	<u>-137</u>
<b>Total Group</b>	<u>1 134</u>	<u>2 021</u>	<u>4 004</u>	<u>6 688</u>	<u>8 419</u>

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## Revenue and profit per area

### Operating earnings

<i>NOK million</i>	July-Sept 02	July-Sept 01	Jan-Sept 02	Jan-Sept 01	2001
<b>Europe</b>					
Newsprint	77	606	469	1 854	2 271
Magazine paper	126	296	453	831	976
<b>Total Europe</b>	<b>203</b>	<b>902</b>	<b>922</b>	<b>2 685</b>	<b>3 247</b>
<b>North America</b>					
Newsprint	-	54	-	367	367
Pulp	-	-27	-	-43	-43
Eliminations	-	-1	-	5	5
<b>Total North America</b>	<b>-</b>	<b>26</b>	<b>-</b>	<b>329</b>	<b>329</b>
<b>South America</b>					
Newsprint	-10	80	-25	304	432
Forests	-	10	-	33	41
Eliminations	-	-	-	-	-
<b>Total South America</b>	<b>-10</b>	<b>90</b>	<b>-25</b>	<b>337</b>	<b>473</b>
<b>Australasia</b>					
Newsprint	93	185	460	426	563
Pulp	-	-5	-	167	162
Eliminations	-	-	-	-	-
<b>Total Australasia</b>	<b>93</b>	<b>180</b>	<b>460</b>	<b>593</b>	<b>725</b>
<b>Asia</b>					
Newsprint	139	126	447	462	616
<b>Other activities</b>					
Pulp	1	15	21	79	98
Other/Eliminations	-	-	-	-	-
<b>Total other activities</b>	<b>1</b>	<b>15</b>	<b>21</b>	<b>79</b>	<b>98</b>
Staff/Eliminations	-114	-91	-351	-281	-392
<b>Total Group</b>	<b>312</b>	<b>1 248</b>	<b>1 474</b>	<b>4 204</b>	<b>5 096</b>



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## Production by Product/Area

(1,000 tonnes)	July-Sept 02	July-Sept 01	Jan-Sept 02	Jan-Sept 01	2001
<b>Europe</b>					
Newsprint	467	446	1 417	1 371	1 770
Magazine paper	313	211	928	637	847
<b>Nord America</b>					
Newsprint	-	125	-	559	559
Pulp	-	103	-	526	526
<b>South America</b>					
Newsprint	89	82	246	245	314
<b>Australasia</b>					
Newsprint	212	199	626	618	817
Pulp	-	0	-	90	90
<b>Asia</b>					
Newsprint	171	108	465	327	468
<b>Other activities</b>					
Newsprint	-	4	-	11	11
Pulp	-	-	-	-	-
<b>Norske Skog Total:</b>					
<b>Total Newsprint</b>	939	964	2 753	3 131	3 939
<b>Total Magazine paper</b>	313	211	928	637	847
<b>Total printing paper</b>	1 252	1 175	3 681	3 768	4 786
<b>Total Pulp</b>	-	103	-	616	616

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## Quarterly comparison

<i>NOK million</i>	3Q02	2Q02	1Q02	4Q01	3Q01	2Q01	1Q01	4Q00	3Q00
Operating revenue	5 815	5 898	5 676	6 618	6 940	8 163	8 633	9 947	7 489
Operating earnings before depreciation	1 134	1 468	1 401	1 731	2 021	2 130	2 537	2 364	1 915
Depreciation and amortisation	822	842	865	839	773	854	857	884	734
Operating earnings	312	626	536	892	1 248	1 276	1 680	1 480	1 181
Earnings before taxation	-62	677	243	748	923	869	1 354	836	901
The majority's share of net earnings	182	465	141	532	628	536	798	554	498

## Quarterly comparison

<i>NOK million</i>	3Q02	2Q02	1Q02	4Q01	3Q01	2Q01	1Q01	4Q00	3Q00
<b>Operating Revenue</b>									
Europe	3 563	3 522	3 348	3 711	3 428	3 643	3 437	3 651	3 314
North America	0	0	0	0	1 154	1 930	2 371	2 558	1 599
South America	247	264	305	557	421	487	474	574	397
Australasia	911	1 000	954	1 074	1 062	1 096	1 241	1 588	1 213
Asia	698	691	618	759	561	519	595	719	596
Non-core	450	411	531	564	487	585	683	893	788
Staff/Eliminations	-54	10	-80	-47	-173	-97	-168	-36	-418
<b>Total Operating Revenue</b>	<b>5 815</b>	<b>5 898</b>	<b>5 676</b>	<b>6 618</b>	<b>6 940</b>	<b>8 163</b>	<b>8 633</b>	<b>9 947</b>	<b>7 489</b>

### Operating earnings before Depreciation

Europe	651	854	769	900	1 186	1 228	1 141	997	807
North America	0	0	0	0	133	148	506	537	300
South America	56	45	98	230	175	209	211	238	159
Australasia	246	345	365	309	351	340	454	474	423
Asia	222	252	211	248	190	202	229	206	183
Other activities	16	18	31	34	30	56	46	23	-18
Staff/Eliminations	-57	-46	-73	10	-44	-53	-50	-111	61
<b>Total Operating earnings before Depr.</b>	<b>1 134</b>	<b>1 468</b>	<b>1 401</b>	<b>1 731</b>	<b>2 021</b>	<b>2 130</b>	<b>2 537</b>	<b>2 364</b>	<b>1 915</b>

### Operating earnings

Europe	203	405	313	562	902	932	851	693	540
North America	0	0	0	0	26	-31	334	338	191
South America	-10	-27	12	136	90	122	125	151	81
Australasia	93	174	193	132	180	158	255	265	280
Asia	139	177	132	154	126	153	183	155	135
Other activities	1	3	17	19	15	38	26	8	-24
Staff/Eliminations	-114	-106	-131	-111	-91	-96	-94	-130	-22
<b>Total Operating earnings</b>	<b>312</b>	<b>626</b>	<b>536</b>	<b>892</b>	<b>1 248</b>	<b>1 276</b>	<b>1 680</b>	<b>1 480</b>	<b>1 181</b>

# NORSKE SKOGINDUSTRIER ASA

## Financial key figures

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	Definitions	Jan-Sept 02	Jan-Sept 01	2001
Net operating margin %	1	8,5	17,7	16,8
Gross operating margin %	2	23,0	28,2	27,7
Equity ratio %	3	39,8	42,8	34,7
Equity ratio excl. minority interests%	4	39,5	42,3	34,3
Net interest bearing debt		19 013	17 046	22 820
Net debt/Shareholders' equity incl. minority interests		1,01	0,86	1,17
Net debt/Shareholders' equity	5	1,02	0,87	1,18
Earnings per share after taxes		5,96	18,05	20,68
Earning per share - fully diluted *)	6	5,96	18,05	20,68
Cash flow per share after taxes		20,79	49,35	58,47
Cash flow per share - fully diluted *)		20,79	49,35	58,47

Definitions:

- 1 : Net operating margin = Operating earnings : Operating revenue
  - 2 : Gross operating margin = (Operating earnings + Ordinary depreciation + Restructuring costs) : Operating revenue
  - 3 : Equity ratio = (Shareholders' equity + Minority interests) : Total assets
  - 4 : Equity ratio excl. minority interests = Shareholders' equity : Total assets
  - 5 : Earnings per share = Net earnings : Average number of shares
  - 6 : Cash flow per share = Net cash flow from operating activities : Average number of shares
- \*) Net earnings and cash flow are rectified by interest expenses on subordinated convertible bonds

## Statement of cash flow

NOK million	Jan-Sept 02	Jan-Sept 01	2001
<b>Cash flow from operating activities</b>			
Cash generated from operations	17 692	25 006	31 165
Cash used in operations	-13 685	-18 339	-22 141
Cash from net financial items	-601	-939	-1 435
Taxes paid	-658	-364	-537
<b>Net cash flow from operating activities</b>	<b>2 748</b>	<b>5 364</b>	<b>7 052</b>
<b>Cash flow from investment activities</b>			
Investments in operational fixed assets	-864	-856	-1 225
Sales of operational fixed assets	20	16	26
Other investments	125	240	286
Dividend received	0	4 372	4 372
Net cash from sold shares in subsidiaries	302	1 852	3 075
Net cash used for acquisition of companies	-2	-2 961	-11 113
<b>Net cash flow from investment activities</b>	<b>-419</b>	<b>2 663</b>	<b>-4 579</b>
<b>Cash flow from financial activities</b>			
Net change in long-term liabilities	-4 438	-9 504	-3 420
Net change in short-term liabilities	584	867	749
Dividend paid	-792	-657	-671
New equity	0	3 349	3 327
<b>Net cash flow from financial activities</b>	<b>-4 646</b>	<b>-5 945</b>	<b>-15</b>
Translation difference	-206	22	44
<b>Total change in liquid assets</b>	<b>-2 523</b>	<b>2 104</b>	<b>2 502</b>


**Norske Skog**
**PRESS RELEASE**


## **Norske Skog starts an extensive improvement programme**

**Norske Skog has started a comprehensive improvement programme that will increase the company's profitability in the short and long term. 'Improvement 2003' is aimed at boosting results by 2 billion NOK by 2004. One billion NOK of this is the targeted result by the end of 2003.**

The improvements will come mainly from cost reductions, and are in addition to the 700 million NOK improvement programme that was started in February 2002.

The downturn in the world's economy is deeper and longer-lasting than what we anticipated earlier this year. This has influenced the market demand for paper and Norske Skog's results to a great extent. In addition, the strong Norwegian krone has had a negative affect on our overall margins. Therefore, it is important to initiate vigorous efforts to strengthen the company's results.

Through various acquisitions over the last few years, Norske Skog has grown to be a global company with production facilities on five continents. At the same time, 40 business units have been sold, allowing Norske Skog to focus on its core business, publication papers.

'We have a strong cash flow and sound balance sheet coupled with good liquidity and long-term financing. But we need to reduce costs to compensate for strong NOK and weak market conditions. We have to consolidate to improve our competitive position, redefine our culture and change the way we do things to add value and quality', says Norske Skog CEO Jan Reinås.

### **Goals**

Improvements will be implemented as soon as possible. By end 2004, the implementation efforts are to increase Norske Skog's operating results by 2 billion NOK compared with the net results in 2002. Of that, 1 billion NOK is to be realised in 2003. Working capital is set to be reduced by 500 million NOK in 2003.

The programme focuses on the following areas:

- Organization, governance, administration
- Production and maintenance
- Optimisation of sales and logistics
- Mill/machine structure and investments
- Supply/input costs

**Involves the whole organisation**

All parts of business areas of Norske Skog will be involved in 'Improvement 2003'.

'We must take a critical look at what we do, and how we work and prioritise. There will be considerable changes in the way the company is organised. There will also be downsizing and we have to assess our mill and machine structure. We have to increase our efficiencies by going through every part of the company,' says Jan Reinås. 'With our strong market position in all the important markets in the world, our goal is to streamline and simplify business activities, focusing on our strengths.'

Deputy CEO, Jan Oksum is leading the 'Improvement 2003' programme and is assisted by President, Australasia region, David Kirk. There is an established project team well underway with the task.

All improvements/initiatives are to be started by February, 2003.

Oxenøen, 6 November, 2002

**NORSKE SKOG**

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